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AUTHORITY: 7 U.S.C. 901 et seq., 1921 et seq., and 6941 et seq.

SOURCE: 57 FR 1053, Jan. 9, 1992, unless otherwise noted.

Subpart A—General

§1710.1 General statement.

- (a) This part establishes general and pre-loan policies and requirements that apply to both insured and guaranteed loans to finance the construction and improvement of electric facilities in rural areas, including generation, transmission, and distribution facilities.
- (b) Additional pre-loan policies, procedures, and requirements that apply specifically to guaranteed and/or insured loans are set forth elsewhere:
- (1) For guaranteed loans in 7 CFR part 1712 and RUS Bulletins 20-22, 60-10, 86-3, 105-5, and 111-3, or the successors to these bulletins; and
- (2) For insured loans in 7 CFR part 1714 and in RUS Bulletins 60-10, 86-3,

105-5, and 111-3, or the successors to these bulletins.

(c) This part supersedes those portions of the following RUS Bulletins and supplements that are in conflict.

20-5 Extensions of Payments of Principal and Interest

20–20 Deferment of Principal Repayments for Investment in Supplemental Lending Institutions

20-22 Guarantee of Loans for Bulk Power Supply Facilities

20-23 Section 12 Extensions for Energy Resources Conservation Loans

60–10 Construction Work Plans, Electric Distribution Systems

86–3 Headquarters Facilities for Electric Borrowers

105-5 Financial Forecast-Electric Distribution Systems

111-3 Power Supply Surveys

120-1 Development, Approval, and Use of Power Requirements Studies

(d) When parts 1710, 1712, and 1714 are published in final form, the bulletins cited in paragraph (b) of this section will be rescinded, in whole or in part, or revised.

[57 FR 1053, Jan. 9, 1992, as amended at 58 FR 66262, Dec. 20, 1993]

§1710.2 Definitions and rules of construction.

(a) *Definitions*. For the purpose of this part, the following terms shall have the following meanings:

Administrator means the Administrator of RUS or his or her designee.

APRR means Average Adjusted Plant Revenue Ratio calculated as a simple average of the adjusted plant revenue ratios for 1978, 1979 and 1980 as follows:

$$APRR = \frac{A+B}{C-D}$$

where:

A=Distribution (plant), which equals Part E, Line 14(e) of RUS Form 7;

B=General Plant, which equals Part E, Line 24(e) of RUS Form 7;

C=Operating Revenue and Patronage Capital, which equals Part A, Line 1 of RUS Form 7; and

D=Cost of Power, which equals the sum of Part A, Lines 2, 3, and 4 of RUS Form 7.

Area Coverage means the provision of adequate electric service to the widest practical number of rural users in the borrower's service area during the life of the loan.

Borrower means any organization that has an outstanding loan made or guaranteed by RUS for rural electrification, or that is seeking such financing.

Bulk Transmission Facilities means the transmission facilities connecting power supply facilities to the subtransmission facilities, including both the high and low voltage sides of the transformer used to connect to the subtransmission facilities, as well as related supervisory control and data acquisition systems.

Call provision has the same meaning as "prepayment option".

Consolidation means the combination of 2 or more borrower or nonborrower organizations, pursuant to state law, into a new successor organization that takes over the assets and assumes the liabilities of those organizations.

Consumer means a retail customer of electricity, as reported on RUS Form 7, Part R, Lines 1-7.

Demand side management (DSM) means the deliberate planning and/or implementation of activities to influence consumer use of electricity provided by a distribution borrower to produce beneficial modifications to the system load profile. Beneficial modifications to the system load profile ordinarily improve load factor or otherwise help in utilizing electric system resources to best advantage consistent with acceptable standards of service and lowest system cost. Load profile modifications are characterized as peak clipping, valley filling, load shifting, strategic conservation, strategic load growth, and flexible load profile. (See, for example, publications of the Electric Power Research Institute (EPRI), 3412 Hillview Avenue, Palo Alto, CA 94304, especially "Demand-Side Management Glossary" EPRI TR-101158, Project 1940-25, Final Report, October 1992.) DSM includes energy conservation programs. It does not include sources of electrical energy such as renewable energy systems, fuel cells, or traditionally fueled generation, such as fossil or nuclear fueled generators.

Distribution Borrower means a borrower that sells or intends to sell electric power and energy at retail in rural areas.